

State of Wisconsin

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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: August 26, 2021

Re: 14-Day Passive Review Approval – Federal Block Grant

Pursuant to s. 16.54(2)(a)2, Stats., attached is a 14-day passive review request from the Department of Administration, received on August 26, 2021.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Wednesday, September 15, 2021**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm



Tony Evers

OFFICE OF THE GOVERNOR

August 26, 2021

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The Honorable Howard Marklein, Co-Chair
Joint Committee on Finance
316 East, State Capitol
Madison, WI 53702

The Honorable Mark Born, Co-Chair
Joint Committee on Finance
308 East, State Capitol
Madison, WI 53702

SUBJECT: Notification of Federal Block Grant

Dear Senator Marklein, Representative Born and Members:

Attached is a request for the expenditure of Pandemic Emergency Assistance Fund moneys to provide nonrecurring, short-term benefits to needy families impacted by the COVID-19 pandemic. Pursuant to s. 16.54(2)(a)2., the grant funds will be made available through the allotment process, unless you notify me within 14 working days after the date of this notification letter that a meeting has been scheduled for the Joint Committee on Finance to review the proposed expenditure of grant monies.

Please also contact State Budget Director Brian Pahnke (266-1035) at the Department of Administration if you have any additional questions or if you schedule a meeting to review the proposed expenditure.

Thank you for your prompt attention to this notification letter.

Sincerely,

Tony Evers
Governor

Date: 8/26/2021

Attachments



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary

Date: August 25, 2021

To: The Honorable Tony Evers
Governor of Wisconsin

From: Joel Brennan, Secretary *JB*
Department of Administration

Subject: Notification of Federal Block Grant

Recommendation:

Approve the expenditure of funds from the federal Pandemic Emergency Assistance Fund to provide certain benefits to needy families impacted by the COVID-19 pandemic.

Description of Purposes of Expenditure:

The Department of Children and Families requests, under s. 16.54, Wis. Stats., the authority to spend \$14.5 million from the federal Pandemic Emergency Assistance Fund in the appropriation under s. 20.437(2)(ma).

In March 2021, the federal government enacted the American Rescue Plan Act of 2021, which created the Pandemic Emergency Assistance Fund (PEAF). Moneys available under the fund total \$1 billion, of which approximately \$923.2 million is distributed to states according to a two-part formula, with the majority of the remainder distributed to certain Tribes and U.S. territories. The two-part formula is based on child population and prior nonrecurrent, short-term benefit, basic assistance, and emergency assistance state expenditures under the Temporary Assistance for Needy Families (TANF) program. Wisconsin was awarded \$14,522,972.

Pandemic Emergency Assistance Fund monies may only be used for certain nonrecurring, short-term benefits. The criteria for these benefits are substantially similar to state's TANF emergency assistance criteria, requiring that the expenditures deal with a specific episode of need, not extend beyond four months and not be intended to meet ongoing needs. In addition, the nonrecurring, short-term benefits under PEAF can only include expenditures on emergency assistance and diversion payments, emergency housing and short-term homelessness assistance, emergency food aid, short-term utilities payments, burial assistance, clothing allowances, or back-to-school payments.

In addition to these specific allowable uses of PEAF funds, there are also several restrictions. The nonrecurring, short-term benefits may not include tax credits, child-care, transportation, or short-term education and training. The funds can only be used in addition to other federal, state, tribal or local funds and therefore cannot be used to replace existing funding. Grantees have until September 30, 2022, to expend the initial award; any

unexpended remaining funds will be redistributed to other States and qualifying governments. No more than 15 percent of the funds may be used for administrative costs.

The pandemic has created economic stress that has further increased the risk of domestic violence and has limited the ability of survivors to leave unsafe homes. The demand for services continues to outpace supply, with over 20,000 requests for shelter across the 42 state shelters going unmet due to a lack of available beds. As such, the Department of Children and Families intends to use the \$14.5 million for its PEA Domestic Violence Program, which will provide short-term, monthly cash payments to families, including Tribal members, experiencing crises resulting from a domestic violence situation that has been exacerbated by the COVID-19 pandemic.

To be eligible for the PEA Domestic Violence Program, an individual must meet TANF eligibility requirements. Criteria also under consideration include: (a) not having already received a PEA program benefit, (b) having a dependent minor child, (c) being 18 years of age or older, (d) being a U.S. citizen or qualifying noncitizen, and (e) being a resident of Wisconsin or qualifying migrant worker. In addition, the income criteria may require that a recipient be at or below 200 percent of the federal poverty level or having qualified for certain other public assistance programs, such as Wisconsin Works or FoodShare Wisconsin, within the last 12 months.

The department intends to make three payments to eligible domestic violence survivors. While the first payment would be a larger amount to ensure the individual can purchase necessary items to stabilize their situation, the two subsequent payments would be smaller amounts to purchase additional necessary items to ensure stability.

The department will be working through existing partnerships with 62 local programs and all 11 federally-recognized tribes in Wisconsin to refer domestic violence survivors impacted by the pandemic to Wisconsin Works agencies, which will administer the program. While shelters may have some supplies and necessities purchased on behalf of survivors, PEA payments are intended for survivors to make their own decisions about family needs and therefore use payments accordingly.

The department anticipates using approximately 3.4 percent of the PEA monies for administration costs, as provided in the following table:

Table 1: Estimated PEA Domestic Violence Program Administrative Costs

Cost Category	Amount	Percent of PEA Award
W-2 Agency Administration	\$420,000	2.89%
State Staff Costs	\$47,200	0.33%
Automation (IT) Work	\$27,000	0.19%
Total	\$494,200	3.4%

The state administrative cost assumes \$47,200 for system testing, policy development, contract development and monitoring, and data reporting done by department staff. The department also intends to automate intake and payment processes for the program, requiring an estimated 300 hours of work by department IT staff at a rate of \$90 per hour.

The Honorable Tony Evers, Governor
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August 25, 2021

Summary

The above outlined program proposals are consistent with federal requirements and guidance for the grant funding. Because the COVID-19 pandemic has exacerbated domestic violence, the department intends to spend the \$14.5 million in federal PEAF funds on domestic violence benefits to meet the needs of survivors. The funding will largely be used to provide cash payments to survivors, which the survivors can use to cover the cost of necessary items to stabilize their situation.

Prepared by: Matthew Bork
266-2288



DATE: August 18, 2021

TO: Brian Pahnke, Administrator
Division of Executive Budget and Finance
Department of Administration

FROM: Emilie Amundson, Secretary

SUBJECT: s. 16.54 Request – Pandemic Emergency Assistance Fund Award

The Department of Children and Families (DCF) requests, under s.16.54(2)(a)(2), Wisconsin Statutes, authority to spend \$14.5 million in Pandemic Emergency Assistance Fund (PEAF) monies in the appropriation under s. 20.437(2)(ma).

Revenue Sources

Wisconsin is allocated \$14,522,972 in federal Pandemic Emergency Assistance Fund (PEAF) monies to provide certain non-recurring, short-term benefits to needy families impacted by the COVID-19 pandemic. Funds must be fully spent by September 30, 2022, or unspent funds will be reallocated for use by other states.

Background

The American Rescue Plan Act of 2021 (Public Law 117-2) amended Section 403(c) of the Social Security Act to create the Pandemic Emergency Assistance Fund. Monies available under the fund total \$1 billion. Of this total, \$2 million is allocated for federal administration. Of the remainder, 92.5 percent (\$923.2 million) is distributed to states according to a two-part formula based on child population and prior non-recurrent, short-term benefit, basic assistance, and emergency assistance state expenditures under the Temporary Assistance for Needy Families (TANF) program. Tribes operating TANF programs and U.S. territories are allocated 7.5 percent of total funds, which will be distributed in a manner determined by the U.S. Department of Health and Human Services.

Entities receiving PEAF monies may only use the funds for certain non-recurring, short-term (NRST) benefits. Criteria for NRST benefits under PEAF are substantially similar to those under TANF, in that expenditures must:

- Deal with a specific crisis situation or episode of need;
- Not extend beyond four months; and,
- Not be intended to meet ongoing needs.

Specific to PEAF monies, eligible NRST benefits can only include expenditures such as:

- Emergency assistance and diversion payments;
- Emergency housing and short-term homelessness assistance;
- Emergency food aid;
- Short-term utilities payments;
- Burial assistance;
- Clothing allowances; or,
- Back-to-school payments.

Monies provided to states, tribes, and territories under PEAFF may not include tax credits, child care, transportation, or short-term education and training. In addition, PEAFF monies can only be used in addition to other federal, state, tribal, territorial, or local funds – funds cannot be used to replace existing funding.

Entities receiving PEAFF monies may use up to 15 percent of the funds awarded for administrative costs. Grantees are allowed to expend the initial funds awarded between April 1, 2021, and September 30, 2022. Any unexpended funds remaining after September 30, 2022, will be reallocated to other states, territories, and tribes for expenditure within 12 months of receipt.

Analysis

The COVID-19 pandemic exacerbated the need for safe housing for survivors by limiting the ability of survivors to leave homes shared with abusers and creating economic stress that not only increases the risk of domestic violence, but can make it more difficult for a survivor to leave a home in which domestic violence occurs. Over the course of federal fiscal year 2020, Wisconsin's 42 domestic abuse shelters sheltered 5,722 people, most of which were women (3,128) and children (2,451). In addition, the demand for services continues to outpace availability, with 20,682 requests for shelter across all 42 shelters going unfilled due to a lack of available beds.

Although the department distributes nearly \$13 million annually to existing domestic violence funding to shelters, there is only a limited amount of funding available for each of the 62 non-profit agencies and 11 federally recognized tribes under contract with DCF each year.

The department plans to use approximately \$14.5 million in PEAFF monies for its PEAFF Domestic Violence Program. The program would provide short-term, monthly cash payments to families, including Tribal Members, experiencing crises resulting from a domestic violence situation, which have been exacerbated by the COVID-19 pandemic. The department would utilize existing relationships with 62 local programs and all 11 federally recognized tribes in Wisconsin in order to refer domestic violence survivors impacted by the COVID-19 pandemic to Wisconsin Works (W-2) agencies, which would

administer the program. Shelters may have some supplies and necessities available because they are purchased on behalf of survivors. However, PEAFF payments are designed to empower survivors to determine their individual and family needs and use payments to cover those needs.

In addition to being a domestic violence survivor, in order to be eligible for the PEAFF Domestic Violence Program, an individual must also meet TANF eligibility requirements. Eligibility criteria currently under consideration by the department for Wisconsin's PEAFF Domestic Violence Program include:

- Not being a prior recipient of a PEAFF program benefit;
- Being a custodial parent or noncustodial parent of a dependent minor child;
- Be 18 years of age or older;
- Be a U. S. citizen or qualified non-citizen;
- Be a resident of Wisconsin unless the applicant is a migrant worker; and,
- Have income at or below 200 percent of the federal poverty level or have received at some point in the past 12 calendar months or currently receiving benefits via the following programs:
 - FoodShare Wisconsin;
 - Wisconsin Works;
 - Wisconsin Shares;
 - Wisconsin Home Energy Assistance;
 - BadgerCare Plus or Medicaid;
 - Emergency Assistance;
 - Women, Infant, and Children Program;
 - Section 8 Public Housing Subsidy or Housing Choice Voucher;
 - Job Access Loan; or,
 - Transitional Jobs or Transform Milwaukee Jobs.

The PEAFF Domestic Violence Program will provide three consecutive payments to eligible domestic violence survivors. The initial payment will be a large enough amount to ensure the individual can purchase needed items to begin to stabilize their situation. The payment would not be intended for rent or security deposits, but rather for items such as clothing and household items. The subsequent two payments would be smaller amounts to purchase additional items the individual determines are necessary to ensure they are able to make progress toward stabilizing their situation.

Estimated administration costs related to the PEAFF Domestic Violence Program include the following:

Cost Category	Amount	Percent of PEA Award
W-2 Agency Administration	\$420,000	2.89%
State Staff Costs	\$47,200	0.33%
Automation (IT) Work	\$27,000	0.19%
Total	\$494,200	3.4%

The department anticipates using \$494,200 of its \$14.5 million award, or 3.4 percent, for state administrative expenses. Reimbursements to the W-2 agencies administering the PEA Domestic Violence program are estimated at \$420,000. Of the total award, \$47,200 will cover staff costs relating to system testing, policy development, contract development, contract monitoring, and data and reporting work done by DCF staff. In addition, the department plans on automating intake and payment processes for the PEA Domestic Violence Program, which would require approximately 300 hours of work by department IT staff at a rate of \$90 per hour.

Summary

The Department of Children and Families requests authority to spend \$14.5 million in federal PEA money on non-recurring, short-term benefits to eligible individuals experiencing a crisis resulting from a domestic violence situation. Funding is intended to provide payments to survivors referred to the program, in order to cover basic needs once a survivor has fled an unsafe situation. Failure to approve this request will result in funds going unspent and being reverted to the federal government for distribution to other states.

Prepared By: Adam Hartung, Director
Office of Budget and Policy
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